

**MEETING MINUTES  
CITY OF MILPITAS**

<b>Minutes of:</b>	<b>Special Meeting of Milpitas City Council</b>
<b>Date:</b>	<b>Monday, September 11, 2017</b>
<b>Time:</b>	<b>5:30 PM</b>
<b>Location:</b>	<b>Council Chambers, Milpitas City Hall, 455 East Calaveras Blvd., Milpitas</b>

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**CALL TO ORDER**

Vice Mayor Grilli called the meeting to order at 5:30 PM. City Clerk Mary Lavelle called the roll.

**PRESENT:** Vice Mayor Grilli, Councilmembers Barbadillo and Nuñez

**ABSENT:** Mayor Tran. Councilmember Phan was absent at roll call. He joined the Closed Session via conference call. Later, he also joined in the Open Session in Council Chambers by phone conference for a portion of the meeting.

**APPROVE AGENDA**

By motion of Councilmember Nuñez and seconded by Councilmember Barbadillo, the agenda was approved with 3 in favor and 2 absent.

**PUBLIC FORUM**

None

**CLOSED SESSION**

The City Council, Acting City Manager and Acting City Attorney departed the dais to meet in Closed Session to discuss one matter of litigation.

At 6:56 p.m., the City Council returned to the dais. Acting City Attorney Amanda Charne from BB&K stated that Councilmember Phan participated by phone with the Council for Closed Session. She announced that the City Council voted unanimously to initiate litigation against the San Jose/Santa Clara waste water treatment plant.

**UNFINISHED  
BUSINESS**

Finance Director Will Fuentes next addressed the City Council on two items.

**1. FY 2016-17 Budget  
Adjustments**

Mr. Fuentes described three specific adjustments sought to the FY 2016-17 budget at the year-end, in order to close out the books prior to final audit. Those items were identified on the agenda and in the Budget Change Form included in the agenda packet for this meeting.

The first one was Fire Department Mutual Aid overtime costs of \$393,883, which was fully reimbursed by the state Office of Emergency Services.

The second one was a COPS grant for the Police Department, of \$33,280, which was reimbursed from the US Department of Justice after funds were spent on video/audio recorders and polygraph examiner.

The final request to adjust the FY 2016-17 budget was for \$130,000 to be added to the leave cash-outs budget, listed as Non-Departmental and would be moved to the appropriate department for costs incurred.

Councilmember Nuñez asked who came up with the amount in the budget for cash-outs annually. Mr. Fuentes responded, the Finance Department, based on the prior year's amount. Mr. Nuñez asked if the \$650,000 total was an increase from the prior year and staff said it was kept the same.

Councilmember Nuñez asked how much was spent in overtime for the Fire Department. Fire Chief Rob Mihovich replied, there were two kinds of overtime, reimbursable amounts and the \$1 million allocated per the Memorandum of Understanding with the firefighters union. Mr. Nuñez asked about service response at the County's Elmwood Jail in Milpitas, and if that was reimbursed by the County. The Chief replied no.

Councilmember Nuñez said he was looking for money and wanted to know if the staff requested for reimbursement from the County for mutual aid given at the county jail. He felt the City should also ask BART and VTA for reimbursement for services provided by Milpitas police when the new station opened. He stated the County should handle costs of services given to those at Elmwood and wanted that investigated.

Councilmember Barbadillo suggested to maybe have the County pay for officers or a firefighter or two, to cover those costs by reimbursement. He commented on overtime for Fire, and asked many questions to the Chief to understand the approach to charges for reimbursable mutual aid.

Vice Mayor Grilli announced that Councilmember Phan had departed the meeting (by phone).

Councilmembers Nuñez and Barbadillo requested further explanation of the cashout amounts. Also, the Police Chief gave responses on the annual COPS grant program.

Councilmember Nuñez looked forward to the presentation on September 19 on the future approach to the next year's budget preparation, as discussed at the Finance Subcommittee.

Vice Mayor Grilli clarified what Mr. Nuñez wished to hear from staff on the 19<sup>th</sup> including the final dollar amount as the fiscal year end books were closed for the City.

Councilmember Nuñez moved and Councilmember Barbadillo seconded, approving the three adjustments to the FY 2016-17 budget (per Budget Change Form). Motion was approved with three in favor and two absent (Tran and Phan).

## **2. Credit Card Policy**

Mr. Fuentes defined current policy and proposed changes, providing background and history of the current Cal-Card program for city employee credit cards.

At 7:56 PM, Councilmembers Barbadillo and Nuñez left the dais. No quorum was present, so the meeting paused and resumed at 7:59 PM.

Mr. Fuentes reviewed recent changes to the credit card policy. The maximum credit card limit was \$5,000 in both purchase order policy and the city's Standard Operating Policy for credit cards.

Vice Mayor Grilli referred to a past change in practice at the School District, wherein the Finance Director and a School Board member had to approve the Superintendent use of credit card spending. She asked Mr. Fuentes if something similar occurred at other cities he'd worked for. He responded that would not be typical.

Councilmember Nuñez asked about the standard practice in the past at the City. He inquired who reviewed the city manager's expenses and Mr. Fuentes replied that prior procedures did not state who did that step while the Finance Director had done so.

Councilmember Nuñez discussed state law requirements for review of expenditures of the school superintendent in an open setting. He suggested a review by City Council of those expenditures (of the City Manager) at the City, and perhaps via the Council Finance Subcommittee. He asked how many credit cards were outstanding by all department employees and staff replied 86, mostly in Public Works. Mr. Nuñez wanted to know what kind of expenses people used the credit card to buy.

Vice Mayor Grilli invited comments from the audience.

Voltaire Montemayor, Milpitas resident, commented on regular public comment, auditors, if paper was complete then credit card use was ok.

Mr. Fuentes emphasized that his report was for information. Changes were not requested by staff, while he was prepared to follow any direction from Council. He had been asked to update the City Council on this policy.

Vice Mayor Grilli thought there should be something involved on the part of the City Council for accountability on the credit cards (for some holders).

Councilmember Nuñez suggested staff could bring back to the Finance Subcommittee this idea for those employees who report to Council to have those expenses reviewed. He'd like to see annually who was getting credit cards, by department. He thought Council should keep track of how many credit cards were out there and in use by employees.

Councilmember Barbadillo asked how long it was in practice that employees got a manual and received training on the credit card policy. Mr. Fuentes said that was for a while now, and he ensured it was currently in practice.

Acting City Manager Pangelinan responded on the history of the manner in which the Purchasing Agent sat with each person who was issued a credit card, and provided the detailed training as written in the manual.

Councilmember Barbadillo asked Mr. Fuentes if he had considered requiring two signatures for credit card purchases, and if that was a practice in use. He suggested it as a future practice.

Councilmember Nuñez moved and Councilmember Barbadillo seconded, to accept the report from the Finance Director on credit card policy. The motion was approved with three in favor and two absent (Tran and Phan).

**ADJOURNMENT**

Vice Mayor Grilli adjourned the Special City Council meeting at 8:36 PM.

**The foregoing minutes were approved by Milpitas City Council on September 19, 2017.**

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**Mary Lavelle**  
**Milpitas City Clerk**